

# STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE  
DATA ANALYSIS DIVISION



INDIANA GOVERNMENT CENTER NORTH  
100 NORTH SENATE AVENUE N1058  
INDIANAPOLIS, IN 46204  
PHONE (317) 232-3777  
FAX (317) 232-8779

**TO:** County Assessors and Auditors

**FROM:** Eric Bussis, Director of Data Analysis, Department of Local Government Finance  
Diane Powers, Director of Office of Fiscal and Management Analysis, Legislative Services Agency

**SUBJECT:** Property Class Codes and Assessed Value Allocations

**DATE:** January 12, 2012

The purpose of this memorandum is to inform county assessors, auditors, and vendors about discrepancies with assessed value allocations found in the 2011 Pay 2012 real property data submissions and the steps necessary to correct the discrepancies and insure accurate property tax billing.

The Department of Local Government Finance ("Department") established new file formats for data submissions in 50 IAC 26. Specifically, 50 IAC 26 added assessed value ("AV") fields for each section of the property tax caps to the PARCEL file. These fields comprise data on the allocation of AV to each of the circuit breaker classifications and are commonly referred to as the "AV buckets."

Under the December 1, 2008 memo, "Property Class Codes and Circuit Breaker Caps – Revision," each property class code has one or more assigned property tax circuit breaker caps. Per the memo, the Department would expect parcels with certain property class codes to have an AV in a specific AV bucket. Likewise, there are certain AV buckets the Department would expect to be empty for certain property classes. For example, for a parcel with a property class code 300 ("Industrial Vacant Land"), we expect to see AV in the three percent bucket and we expect all other buckets to be empty.

Using the real property files submitted under the new file formats, the Department compared the property class code of each parcel to its AV bucket allocation. In all counties that have submitted their 2011 Pay 2012 real property data, the Department found discrepancies between the allocation in certain records and the allocation expected based on the December 2008 memo.

The Department acknowledges that there are split use parcels that may have appropriate AV bucket allocations beyond those that would be expected per the December 2008 memo. By reviewing the information in the PARCEL file, the Department is unable to determine whether the AV is in an unexpected bucket because of split-use characteristics or because of an error in the file. Although each parcel flagged by the Department's data check may not be in error, we have concluded that many of the flagged records are the result of errors and will have a significant taxpayer impact if not corrected.

To address this concern and ensure that taxpayers are receiving the correct circuit breaker credit, each county assessor and auditor will receive an Excel workbook of the parcels in question. The workbook contains parcels that have been flagged for not having the expected AV bucket allocation. In conjunction

with December 1, 2008 memo, the Department broke down each property class code with an expected AV bucket allocation. Within the workbook each county will receive, the expected AV bucket allocation is shown in the column heading row. Allocations coded "red" means we would not expect to see AV in this bucket. The color "yellow" indicates an unexpected AV allocation that may be erroneous, or the unexpected allocation may be correct and justified by a reasonable explanation. Finally, "green" means that we would expect to see AV in this bucket. The list is broken down into "Rejection" and "Warning" parcels. The Department requests that counties work through the list of rejection parcels and make the necessary corrections by February 29, 2012. Counties are encouraged to examine warning parcels as soon as possible, but will not be required to report on these parcels during the spring 2012 data review. To insure accurate billing for 2011 Pay 2012, the Department has recommended the following:

- (1) Each parcel that has been flagged as a rejection should be examined by February 29;
- (2) If the resulting change is to the AV bucket allocation, indicating a tax bill impact, it must be resolved immediately via a Correction of Error or Assessment Adjustment;
- (3) If the correction is made to the property class code or moving AV from a two percent bucket to another two percent bucket, or between land and improvements fields within the same cap percentage, the change may be made for 2012 Pay 2013. For example, a two percent AV bucket change would be a commercial apartment (property class code 402) that was in the AV-Non-Homestead Residential Subject to 2% bucket but should be in the AV-Commercial Apartment Subject to 2% bucket;
- (4) If the parcel flagged is accurate or a correction has been made, please note that in comments column in the Excel workbook.

The Department requests that this Excel document be returned to the Department at the time of the Auditor's tax billing data submission (due February 29). The Data Analysis Division and Legislative Services Agency will review each county's document before the Assessor's real property data and the Auditor's tax billing data submission can be deemed compliant.

If you have any questions, please contact Director of Data Analysis Eric Bussis at [erbussis@dlgf.in.gov](mailto:erbussis@dlgf.in.gov) or 317.232.3759.